

REMARKS

Claims 1, 4-6, and 9-10 stand rejected under 35 USC 101, and are correspondingly rejected under 35 USC 112, first paragraph. Applicant respectfully traverses these rejections.

The Office has suggested that the claims are not tied to a particular statutory class and do not transform the underlying subject matter to a different state or thing. However, this is not the test for statutory subject matter under 35 USC 101.

The Federal Circuit held that the "definitive test" for whether a claimed process complies with § 101 is the *Benson* "machine-or-transformation" test. In re Bilski, No. 2007-1130, slip op. (Fed. Cir. Oct. 30, 2008).

A claimed process is patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. The two prongs are disjunctive; satisfying either suffices to put the claims at issue within the purview of § 101. Under the first prong, at least one element must be tied to a particular machine or apparatus, i.e., not all elements must be so tied.

Method claims 1, 4-6, and 9-10 are all tied to a machine, namely, a processor of a retail terminal. Therefore, claims 1, 4-6, and 9-10 satisfy the Bilski test for statutory subject matter under 35 USC 101.

Since claims 1, 4-6, and 9-10 satisfy the Bilski test, the related rejection under 35 USC 112, first paragraph, should also be removed.

Claims 1, 4-6, 9, and 10 stand rejected under 35 USC 103(a) as unpatentable over Rodriguez.

Applicant filed an appeal and the Board of Appeals sustained the rejection on February 25, 2009. The Board based its decision in large part on its broad interpretation of the word "terminal" - see pages 11-12 of the decision. Under the Board's interpretation of the word "terminal", Applicant's appealed claims were not distinguishable over Rodriguez's card reader and card for storing e-receipts.

Applicant's present claims are distinguishable in such a way that "terminal" cannot be equated with the card reader and card of Rodriguez. Claims 1 and 6 recite the limitation:

...wherein the processor communicates with a number of peripherals of the retail terminal and coupled to the processor via corresponding communication lines including a display, an input device, and any of a barcode reader, a card reader, and a printer;

Additionally, Rodriguez is limited to use of the card to store transaction data. Applicant's claims are distinguishable, as transaction data is sent over a network between the processor and a personal computer of the customer, not between the processor and a card of the customer.

Applicant respectfully requests that the pending claims be allowed.

Respectfully submitted,



Paul W. Martin
Reg. No. 34870
Attorney for Applicant
(937) 445-2990

Dayton, OH